UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/49/6 (Prog. 34)
1 August 1994

ORIGINAL: ENGLISH

Forty-ninth session

PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME VI. REGIONAL COOPERATION FOR ECONOMIC AND SOCIAL DEVELOPMENT

Programme 34: Regional cooperation for development in Western Asia

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revised programme 34, Regional cooperation for development in Western Asia, submitted below replaces the narrative of programme 34 of the medium-term plan for the period 1992-1997, adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1.

4. In keeping with the recommendations of the Committee for Programme and Coordination at its thirty-second session, 1/ which called for full revisions to programme 34, the narrative of programme 34 has been completely revised and the number of subprogrammes reduced from 15 to 5. The revisions emphasize a multidisciplinary thematic approach, which will necessitate, during implementation, the formation of task forces, led in each case by the major contributing organizational unit. This revised programme was reviewed by ESCWA at its seventeenth session, held from 29 to 31 May 1994.

5. The revised text is presented below.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 16 (A/47/16).

PROGRAMME 34. REGIONAL COOPERATION FOR DEVELOPMENT IN WESTERN ASIA

A. Programme

1. General orientation

34.1 The general mandate for the programme derives from Economic and Social Council resolutions 1818 (LV) of 9 August 1973 and 1985/69 of 26 July 1985, which established and amended the terms of reference of ESCWA.

34.2 The overall objective of the Commission is the improvement of the quality of life of the peoples of the region in all its aspects and its widest meaning. Improvements in the quality of life, in turn, enhance the ability of people to contribute further to overall economic and social development and to bring about a healthy human environment. Economic development cannot be divorced from the social and ecological, nor from the cultural and political dimensions. ESCWA, therefore, should direct its efforts to raising awareness of the importance of an integrated holistic systemic approach to development without losing sight of the specificities at the national and subregional levels. Stressing the interconnection of cultural, social, political, ecological and economic dimensions of development and change would provide the necessary components for sustainable development.

34.3 The programme will seek:

(a) To enhance sustainable development through the promotion of regional and subregional cooperation, with special emphasis on strengthening the coordination of policies and programmes leading to closer cooperation among ESCWA countries;

(b) To increase awareness of the social, cultural, ecological and technological dimensions of economic development and the interrelationships between social and economic factors in the development process;

(c) To provide opportunities for the acceleration of the process of sustainable development in each of the ESCWA member countries, with special emphasis on social and economic development of countries facing special conditions.

34.4 Most States members of the Commission depend, in varying degrees, on the production and export of crude oil for financing development. The sharp decline in oil prices throughout most of the 1980s, coupled with the war between Iraq and the Islamic Republic of Iran, which lasted for most of that decade, has led to a decline in the financial resources available for development purposes and has had a negative spillover effect on other countries in the region in terms of reduced direct financial assistance flows and workers' remittances.

34.5 At the onset of the 1990s, the political instability in the ESCWA region was heightened by the incidence of crises and military conflict in the Persian

Gulf, with massive destruction of economic and social infrastructure, suspension of oil production and exports from two member countries, great losses in human life and suffering, disruption of trade channels and flows, non-voluntary waves of return migration and a substantial reduction in the flow of capital for investment within the region. All these point to the necessity to focus on social and economic rebuilding and rehabilitation, the ultimate objective being the reintegration of the population into peaceful and gainful ways of living.

34.6 The social cost of the above-mentioned development has been enormous, as reflected in deteriorating standards of living, unemployment, poverty, social disintegration, refugees, returnees, marginalization of large segments of the population and higher disability rates, thus compounding the problems associated with social adjustment to changes in traditional norms and codes in the region. This high social cost of events has left a clear mark on the lives of the people in the region, on the communities at large and on institutions.

34.7 As the ESCWA region approaches the twenty-first century, it is faced with several other complex challenges that require both creative and effective ways of dealing with them. One of these challenges is in the area of natural resources, the main problem being inadequacy of planning and management of its water, energy and mineral resources. The tasks confronting member States in addressing this situation are complicated by a shortage of water resources, uneven distribution of energy sources and a lack of articulated national and regional strategies for balancing environmental concerns and natural resource development and exploitation.

34.8 Similarly, the food security situation in the region is precarious owing to a weak agricultural sector. This is due to a considerable extent, to water scarcity, degradation of the natural resource base, inadequate physical and social infrastructure, low technological levels and the largely unfavourable socio-economic environment in which agricultural activity is carried out. Given the aridity of the region, conservation and the rational use of water become issues of extreme importance.

34.9 Notwithstanding the above elements and their negative consequences for the quality of life of the population of the region, the production sector in the more diversified economies has languished over the years. Thus the share of domestic output in meeting local demand for manufactured goods has decreased over the last decade.

34.10 The economies of the countries of the region are also characterized by a high degree of dependence on, and sensitivity to, changes in the global economy. The emergence and/or consolidation and enlargement of regional economic blocs, such as the European Union and the North American Free Trade Agreement, coupled with the further liberalization of international trade in goods and services under the recently concluded Uruguay Round of multilateral trade negotiations, will further affect development prospects in virtually all sectors and leave lasting negative effects on socio-economic conditions in the region.

34.11 The development of both the industrial and agricultural sectors is closely linked with international trade through the heavy dependence of those sectors on the outside world for virtually all their needs for machinery and

equipment and a large component of intermediate goods. The interdependence and horizontal linkage between agricultural development and external trade is also evident in the region's critical dependence on food imports, the dominance of agricultural raw materials in the export trade of non-oil economies of the region and the fact that trade provides an outlet for surplus agricultural products. However, the region's susceptibility to exogenous developments is nowhere more evident than in the oil sector, the mainstay of development in many countries.

34.12 Furthermore, rapid technological achievements at the global level have led to a further widening of the technological gap between the countries in the ESCWA region and the more advanced countries in other regions. The process of economic reform in member countries themselves, and exogenous developments, in particular the GATT agreement, could have a limiting impact on national scientific and technological institutions and on the transfer of technology to the region.

34.13 Environmental concerns are expected to acquire an increasing importance in the efforts of the region geared towards sustainable development. Issues such as desertification, industrial waste management, surface- and ground-water pollution, urban environmental deterioration, the social setting and the aftermath of the recent Gulf war will have to be addressed. Environment is to be viewed in the wide sense of Agenda 21 and in its physical aspect, with emphasis on sustainability.

34.14 A major challenge confronting the countries of the region is the transformation of their economies to meet the challenges of the coming century. This would require not only securing huge sums for investment, but also reconsidering or redefining their economic philosophies and pattern of development, especially the balance between economic management and market forces. The policy mix pursued in the past has generally not been conducive to rapid and equitable growth and development. In effect, it has resulted in the emergence or accentuation of internal and external imbalances and constraints, as reflected mainly in high and persistent budget and balance-of-payment deficits, heavy indebtedness and reduced financial resources for development. As a consequence, most countries in the region have been implementing economic reform, including structural adjustment programmes and policies, on their own initiative or in cooperation with IMF and the World Bank, with the overall objective of achieving a more sustainable pattern of development in the long term.

34.15 Current economic trends indicate that economic globalization will continue. Yet many ESCWA countries lack the human resources needed to participate in the process and transform their economies so as to become internationally competitive.

34.16 Furthermore, in an age where possession of information and the ability to store and transmit it have come to assume a crucial role in determining the competitiveness of nations, basic weaknesses and deficiencies in the area of statistics and information remain a major impediment to the efforts of the Governments in the region to formulate effective development policies.

34.17 The launching of the peace process, and in particular the recently concluded declaration of principles for a peace accord between Israel and the Palestine Liberation Organization (PLO), will undoubtedly have a major economic and social impact on the region. The resulting new climate would require constant monitoring by the ESCWA secretariat in order for it to adapt its activities to address the various issues raised above.

34.18 Thus, a new impetus to foster regional cooperation is needed in order to address adequately the economic, social, cultural and ecological dimensions for a sustainable and systemic development of the ESCWA region. It is of utmost importance at the present juncture to place human development, in its broad sense, at the centre of developmental concerns.

2. Overall strategy

34.19 In implementing the programme, ESCWA, as a multidisciplinary body, will identify and formulate a coordinated approach to regional cooperation, within the context of the economic and social plans and programmes of its member States and its perception of relevant regional and global developments. In so doing, it will carry out the following main activities:

(a) Carry out research and surveys to monitor developments, including emerging issues, and propose action for the sustainable socio-economic development of the region;

(b) Develop statistical databases and information pertinent to the work of ESCWA and end-users, with a view to serving as a major source of economic and social statistics and information on the region within the United Nations system;

(c) Organize intergovernmental and expert group meetings, conferences, symposiums, seminars and training workshops, with a view to facilitating joint endeavours, exchange of experience and information taking advantage of regional complementarities and cooperation possibilities;

(d) Provide substantive secretariat services and documentation for the Commission and its subsidiary bodies and assist the Economic and Social Council, upon request, in discharging its mandate as it relates to the region;

(e) Provide advisory services, upon request, to States members of the Commission, with a view, in particular, to enhancing their policy-making and institutional capacity to achieve sustainable development; and contribute to the formulation, execution, monitoring and evaluation of technical assistance programmes in a variety of substantive areas with UNDP, UNFPA, UNIFEM, the Arab Gulf Programme for the United Nations Development Organizations (AGFUND) and other funding entities;

(f) Develop close cooperation with the other regional commissions, the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis, the Department for Development Support and Management Services, UNCTAD, UNEP, UNCHS (Habitat) and

so on, with a view to avoiding duplication and ensuring complementarity and exchange of information; coordinate with other units and bodies of the United Nations system, such as FAO, ILO, UNESCO and UNIDO, as well as with relevant regional organizations, in particular OIC, LAS and its specialized agencies, the Gulf Cooperation Council (GCC) and other regional groupings.

3. Subprogramme structure and priorities

34.20 Within the broad objective of promoting sustainable development, social development would encompass more than welfare and economic development, and more than growth and efficiency. The main challenge confronting the ESCWA region is the interrelation among the three main dimensions of sustainable development, namely, management of natural resources and the environment, improvement of the quality of life and economic development. Each of these components is a prerequisite for and a result of the other two.

34.21 New realities in the world and the globalization of economic, social and political events have a direct impact on the above-mentioned three dimensions of sustainable development in the region. Part of the mandate of ESCWA is to act as a warning system to its member States regarding the impact of global political, economic, cultural and technological changes at the national and regional levels.

34.22 In translating the challenges facing the region into programme activities, five subprogrammes, which represent core themes that may cut across several organizational units, are proposed. The activities under each subprogramme will be carried out by task forces representing relevant specializations existing in the Commission.

34.23 The subprogrammes are as follows:

Subprogramme 1. Management of natural resources and environment

Subprogramme 2. Improvement of the quality of life

Subprogramme 3. Economic development and cooperation

Subprogramme 4. Regional development and global changes

Subprogramme 5. Special programmes and issues

34.24 Subprogrammes 1, 2 and 3 are designated high priority.

34.25 Statistical data is a prerequisite for all the Commission's analytical and policy-oriented activities. The secretariat will develop timely, reliable and relevant internationally comparable statistics in the ESCWA region, in cooperation with national, regional and international bodies concerned, and develop reliable regional databases on specific sectoral or multisectoral areas needed for the assessment and monitoring of economic and social development in the region, and for the implementation of its work programme.

B. Subprogrammes

SUBPROGRAMME 1. MANAGEMENT OF NATURAL RESOURCES AND ENVIRONMENT

(a) Objectives

34.26 The legislative authority for the subprogramme derives from General Assembly resolutions 32/158; 36/193; 38/151; 39/173; 39/176; 40/208; 41/65; 41/170; 42/184, paragraphs 14 and 15; 42/186; 42/187, paragraphs 8 and 15; 43/193; 45/181; 45/199; 45/209; S-18/3; and 47/191; Economic and Social Council resolutions 1983/52; 1983/54; 1985/49; 1985/52, paragraph 1; 1985/167; 1987/7, paragraph 3; 1987/9; 1987/10, paragraph 4; 1989/6; 1989/7, paragraph 3; 1989/8, paragraph 6; 1991/84, paragraph 7; 1991/85, paragraphs 3, 5, 6 and 9; 1991/89, paragraphs 2 to 4; 1991/90, paragraphs 2 and 4; Agenda 21, chapters 8 to 10, 12, 14, 18, 21, 34, 38 and 40; and ESCWA resolutions 81 (VII); 165 (XV); and 180 (XVI).

34.27 The ESCWA countries are predominantly arid and semi-arid. Owing to the fragile ecological conditions prevailing in the region, any ecological damage is extremely difficult to repair or reverse. Rapid population growth and poverty have led to excessive exploitation of the scarce land and water resources of the region. Inadequate strategies and policies for the sound management of these resources and insufficient appreciation of the relation between resource management and sustainable development have accelerated the rate of soil erosion, depletion of underground aquifers, salinity, desertification and other forms of resource degradation.

34.28 The shortage of water resources is a serious constraint on social and economic development in the ESCWA region. Water security is further aggravated by the fact that the major water sources originate mostly in neighbouring countries. The water sector in the region is facing chronic problems emanating from (a) inefficient management and inadequate national water planning and policies; (b) inadequacy of hydrological, hydrogeological and hydrometeorological data and thus the lack of a thorough assessment of conventional and non-conventional water resources required for establishing priorities and proper distribution and allocation among end-users; (c) shortage of skilled manpower and expertise, particularly in areas requiring the use of advanced technologies; (d) shortage of financial resources in many countries of the region to implement large-scale water development projects; (e) inadequate water supply and sanitation, especially in rural and remote areas; and (f) water pollution and contamination caused by the absence of adequate policies required for environmentally sound development.

34.29 The most salient problems and obstacles hindering overall development of mineral resources are (a) the lack of a comprehensive assessment of available mineral resources; (b) lack of effective regional cooperation and coordination of mining activities; (c) a shortage of the financial resources needed in several countries of the region to obtain the sophisticated technologies for undertaking mineral development projects; and (d) a shortage of skilled manpower.

34.30 Petroleum constitutes the major source of material wealth in the region, which is also a major supplier of oil to the world. However, a number of ESCWA countries are deprived of or lack completely oil or natural gas resources. The importance of natural gas is growing rapidly in terms of discoveries, utilization and export potential.

34.31 Energy policies and planning at the national level need to be improved, especially energy planning methodologies and techniques since they constitute important elements in the preparation and implementation of country energy plans. The energy balances drawn up by a number of ESCWA countries are not sufficiently accurate or comprehensive to serve as a basis for a reliable assessment of their energy situations. The excessive use of depletable energy resources and the lack of appropriate policies and measures for more efficient use of energy require that the issue of energy consumption be analysed and measures taken to increase efficiency in energy utilization.

34.32 Activities undertaken in the ESCWA region for the development of renewable sources of energy are largely limited to pilot projects. Other than in a few cases, such activities have not yet led to a tangible commercialization of renewable energy technologies.

34.33 Environmental degradation in the ESCWA region results from inadequate management of land, water and energy resources, lack of public awareness and inappropriate regulations and policies. Population growth, poverty and migration are additional factors contributing to environmental degradation.

34.34 Economic and social issues confronting ESCWA countries are often perceived as separate from the environment; consequently, environmental issues are not given the priority they deserve by decision makers.

34.35 The objectives of subprogramme 1 are the following:

(a) To promote the introduction of appropriate techniques and technologies for assessing natural resources in the region and contribute to the development of national plans for their exploitation, in the context of regional and international efforts to highlight the environmental dimensions of sustainable development;

(b) To enhance proper management of water resources, including quality control, establishment of guidelines and principles for the optimum utilization of available water resources, particularly in the case of shared water basins, and increasing awareness of the relationship between water scarcity and the process of sustainable development;

(c) To develop a long-term perspective for energy options in the region as well as strategies and policies for environmentally sound management of energy resources and energy waste and the development of renewable energy resources, particularly in rural and remote areas;

(d) To promote cooperation among ESCWA member States in the fields of natural resources and the environment in the context of existing and planned regional arrangements, institutions and projects.

(b) Course of action of the secretariat

34.36 The means of action envisaged by the secretariat include the following:

(a) Conducting studies on planning and management of land use, water and energy resources with special emphasis on desertification control, water budget evaluation and rural energy issues, including surveys and assessments related to those activities;

(b) Organizing meetings aimed at developing natural resource strategies and policies and at promoting regional cooperation and coordination of activities and exchange of information on various issues related to natural resource development; and assisting in the utilization of appropriate technologies for non-conventional water and energy resources;

(c) Organizing training programmes, technical meetings and seminars at the national, subregional and regional levels with a view to developing capacity for the improvement of water and energy resource management, environmental impact assessment and issues related to the utilization of low-cost and appropriate technologies in the water and energy fields;

(d) Maintaining and establishing regular contacts with national, regional and international organizations for the coordination of natural resources and environment-related activities and in the development of natural resources and their efficient use, as well as taking regional and subregional initiatives to make sustainable development the guiding principle in the management of natural resources within the region;

(e) Monitoring, analysing and reporting on emerging environmental issues, especially those relevant to the region, and on progress made in the implementation of Agenda 21, focusing on issues of primary concern to the region, in particular, land, air, water and noise pollution, waste management and environmental impact assessment.

SUBPROGRAMME 2. IMPROVEMENT OF THE QUALITY OF LIFE

(a) Objectives

34.37 The legislative authority for the subprogramme derives from General Assembly resolutions 40/108, paragraph 10; 41/111, paragraph 2; 42/178, paragraphs 3 and 8; 43/99, paragraphs 5 to 8; 44/55; 44/56, paragraphs 8 and 12; 44/59, paragraphs 1, 4 and 8; 44/70, paragraphs 7, 9 and 13; 44/236, annex, paragraphs 5 and 8; 46/141, paragraphs 2, 5 and 6; 46/92, paragraphs 1, 2 and 7; 47/92; 47/176, paragraphs 2, 9 and 14; 47/180, paragraphs 5, 16 and 19; 47/197, paragraphs 8 to 10; 48/183, paragraphs 1, 2, 5 and 7; 48/184, paragraphs 5 and 6; Economic and Social Council resolutions 1991/230; 1987/40, paragraph 5; and 1988/47, paragraphs 2 to 4; and ESCWA resolutions 186 (XVI); 187 (XVI); and 188 (XVI).

34.38 Issues related to the improvement of the quality of life need to be dealt with through a multidisciplinary approach, reflecting the perception of sustainable development as development of people, by people and for people.

34.39 Improvement of the quality of life in the ESCWA region, encompassing material and non-material aspects, is closely correlated with proper management of natural resources and economic development. It is also affected by political instability, inadequate performance of the developmental machinery and rapidly changing social values and structures.

34.40 A salient characteristic of the ESCWA region is its relatively high rate of population growth, which, together with unfavourable economic conditions in some countries of the region, exacerbates problems of unemployment and underemployment in both the organized and the informal sectors. Unemployment of university graduates and widespread underemployment in the public sector are further reflections of the mismanagement of human resources.

34.41 Poverty is increasing in the ESCWA region. It is estimated that one third of the population of the Arab world in 1990 was living below the poverty line. These high levels of unemployment and poverty lead to a low level of social integration.

34.42 Women in the ESCWA region are still disadvantaged in terms of access to resources, level of education, participation in economic activity and participation in the development process and institutional support activities. Another important issue facing women in the region is the growing conflict between women's public and family roles and the lack of an integrated approach to development that would provide viable solutions to that conflict.

34.43 Social integration in the ESCWA region also needs to be enhanced through greater attention to the needs of the youth population, which represents the largest population segment, as well as to those of the disabled and other vulnerable groups (such as the poor living in marginal urban and rural settlements and communities) who suffer most from the deteriorating economic conditions and the social and political structure of the region.

34.44 Patterns of development in the region have led to rapid and unchecked urbanization, the explosive growth of some cities, expansion of poor and marginalized settlements, and further deprivation of rural communities.

34.45 Rural development and alleviation of poverty are crucial development issues in most ESCWA countries. Despite the agrarian reform programmes undertaken in some countries, agriculture is still dominated by small and fragmented holdings, and the problems of marginal and landless farmers remain serious in many of them. The region lacks viable and efficient rural institutions (extension, marketing, finance) to confront effectively the ever-increasing and complex task of development. Moreover, there is still a wide gap between urban and rural areas in the availability of basic services and employment opportunities.

34.46 Finally, an important issue to be addressed under this subprogramme is the availability and reliability of quantitative and qualitative information and indicators, which are essential for the formulation of sound social policies.

34.47 The objectives of subprogramme 2 are:

(a) To raise awareness of the impact of population on the quality of life, to formulate adequate population policies and to promote the integration of population variables into development;

(b) To promote a comprehensive approach to human development, as one of the key factors affecting the quality of life, through in-depth evaluation of the development process at the national and regional levels. In addition, enhancement of social integration of youth and other vulnerable groups will be emphasized;

(c) To promote productive employment, through the continuous assessment of labour market developments, the strengthening of planning capabilities of labour ministries and the development of regional policies that would facilitate labour movement among Arab countries;

(d) To address critical issues hampering the integration and participation of Arab women, including young and rural women, in development and to assist member States in responding effectively to women's imminent needs for empowerment, employment and legal awareness, with particular attention to be given to assisting in institution-building and capacity-building of non-governmental organizations;

(e) To examine the impact of development trends and social change on human settlements and the quality of life of local communities, with a view to raising awareness of the problems and needs of human settlements in the region and promoting integrated and appropriate policies and programmes aimed at sustainable development of human settlements, with particular emphasis on participatory and grass-roots approaches and programmes;

(f) To promote an integrated approach to community development based on growth, equity and participation of the people.

(b) Course of action of the secretariat

34.48 Based on the above, the following are the courses of action of the secretariat:

(a) Monitoring the population situation through the publication of demographic and related socio-economic indicators and population projections; undertaking studies on determinants and consequences of population growth; organizing meetings on integrating population variables into the development process; and disseminating population information;

(b) Monitoring the social situation in the region, undertaking in-depth analyses of the human development process at the national level; assessing the social impact of economic measures and reforms; formulating adequate social policies with particular attention to disadvantaged groups; and monitoring labour market development to promote gainful employment;

(c) Collecting and disseminating data and information on women in Western Asia; following up on the recommendations emanating from the July 1994 Expert Group Meeting on the Arab Family in a Changing Society, convened in observance

of the 1994 International Year of the Family, from the Intergovernmental Regional Preparatory Meeting for the Fourth World Conference on Women (November 1994) and from the World Conference on Women (1995); examining through field research and comparative case-studies the changing role of the Arab family and assessing the institutions that provide services to support and/or replace family services;

(d) Monitoring changes and trends in the human settlement situation through analysis of human settlement data and indicators; undertaking studies, providing technical assistance and organizing meetings and workshops related to urbanization and urban development and management; identifying appropriate technologies and norms for improving living standards and conditions for marginal and poor settlements; mobilizing human, financial and natural resources for the provision of adequate and affordable shelter and the promotion of balanced and appropriate human settlement development; formulating policies and plans for sustainability of human settlement development, with particular attention to the needs of special groups in the urban environment; assisting in the formulation of policies and programmes aimed at improving living conditions and the quality of life of depressed and precarious rural and urban settlements, through community participation and mobilization for action;

(e) Assessing and evaluating community development (urban and rural) policies and programmes; strengthening the technical and institutional capacity for agricultural and rural development; support in the areas of extension, credit, marketing and community development; and promoting the integration of rural women into the mainstream of agricultural and rural development.

SUBPROGRAMME 3. ECONOMIC DEVELOPMENT AND COOPERATION

(a) Objectives

34.49 The legislative authority for this subprogramme derives from General Assembly resolutions 41/171, annex, paragraphs 12, 13, 27 and 29; 41/182, paragraph 1 (a) and (b); 41/202, paragraph 1 (b), (d) and (e); 42/184, paragraph 15; 42/192; 42/198, paragraphs 17 and 18; 43/178, paragraphs 5 and 16; 43/184; 44/14, section B, paragraphs 1 to 4; 44/205, paragraphs 5 and 11 to 13; 45/196; 45/199, annex, paragraphs 56 to 77 and 103 to 112; 46/144, paragraph 4; 47/152, paragraphs 2 and 3; 47/153; 47/171, paragraphs 1 to 3; 47/178, paragraphs 1 and 2; 47/183, paragraphs 6 and 16; 47/184, paragraph 1; and 48/180, paragraphs 3 to 5; Economic and Social Council resolutions 1988/74, paragraph 2; 1991/75, paragraph 4; 1993/63, paragraph 3; 1990/71; and 1991/55; and ESCWA resolutions 92 (VIII). paragraph 3; 138 (XII), paragraph 3; 170 (XV), paragraph 3; and 191 (XVI), paragraphs 4 to 7.

34.50 The problems and challenges confronting the countries of the region in their efforts to promote growth and development reflect shortcomings in macroeconomic management policies at the national level, an inability to exploit the potential of regional cooperation and a rapidly changing, and most unfavourable, international economic environment.

34.51 The importance of macroeconomic management and policies in the region derives from the direct and extensive involvement of the public sector in

economic activities in several member countries, on the one hand, and from the influence that Governments exert in shaping the overall setting for the undertaking of economic activity in all countries through policy formulation, institution-building, economic negotiations and regional and international agreements, on the other hand. The policy mix pursued in the past has not generally been conducive to rapid and equitable growth and development. In effect, it has resulted in the emergence or accentuation of internal and external imbalances and constraints. These policies have not been very successful in alleviating poverty and improving income distribution.

34.52 Regional cooperation, though largely spontaneous, increased significantly after the first adjustment of oil prices in the 1970s, mainly through trade, aid, labour movement, workers' remittances and joint ventures, resulting in a positive impact on economic development throughout the region. The pressure on and subsequent fall in oil prices since the mid-1980s have reduced those flows considerably. The situation has been further aggravated by the Gulf crisis, which has sharply reduced the resources available for development in the traditionally surplus member countries themselves and for assistance to other countries in the region. These developments underline the significance of interdependence for development in the region as a whole and for the stability of member countries, and the need to forge closer links and reduce disparities in development levels within and among countries. The reduction in financial resources for development calls for the evaluation of national financial systems and the status of regional cooperation with regard to mobilization, management and allocation of financial resources and the formulation of appropriate policy measures, and for increasing awareness at the national policy-making level of the need to promote diversification of national income and domestic revenue sources. It also calls for greater attention to foreign direct investment, which is emerging as a major source of development finance.

34.53 The external economic environment and relations assume an important role as determinants of growth and development in the region. Foreign trade plays a crucial role through its contribution to income, savings, government revenues and employment generation. The importance of foreign trade derives also from the heavy dependence of the region on the outside world for a significant portion of its food, intermediate products and capital equipment requirements; moreover, it is the main vehicle for acquiring modern technology and know-how and a major source of development finance. A number of problems hamper the contribution of foreign trade to growth and development. The trade of ESCWA countries remains highly concentrated in terms of commodity composition and direction, intraregional trade being a modest fraction of the total. The protectionist policies applied by major trading partners to products in which countries in the region have a comparative advantage adversely affect exports. The conclusion of the Uruguay Round, the formation and/or enlargement of trading blocs and developments in Eastern and Central Europe pose additional challenges.

34.54 The pursuit of import substitution policies has reduced the incentive to export, rendered competition a marginal concern and discouraged the search for new markets, while promoting increased resort to non-competitive trade channels. As a result, insufficient attention has been paid to export determinants such as financing, exchange rate policies, trade regimes and product quality and cost. The trade of the region is also handicapped by inadequate information and high

transaction costs. Trade in services, both in the traditional sense and in new forms based on information and communications, is still modest: the potential of regional cooperation has hardly been exploited.

34.55 The rich natural, cultural and historical potential of the ESCWA region has not yet been fully utilized in the development of international and intraregional tourism. Tourism development policies based on integrated tourism planning and marketing, which also take into consideration the socio-economic, cultural, historic and environmental particularities of the region, could contribute much to the development and prosperity of ESCWA member countries.

34.56 There is also a need for mechanisms to channel foreign direct investment into priority areas of national investment programmes; encourage indigenous enterprises; ensure introduction of environmental standards; protect against and compensate host countries for transfer pricing abuses; and ensure that the financial activities of transnational corporations are consistent with the country's balance-of-payment objective. The introduction of such mechanisms requires a consistent policy environment that enhances the overall contribution of transnational corporations to development. Critical to such efforts is concern for the possible adverse social and cultural impact of the operations of transnational corporations in ESCWA member countries. Actions by ESCWA member countries would need to be complemented by policies and mechanisms aimed at improving the quality and quantity of investment flows, and foreign investment policies that balance between facilitation and regulation should be devised.

34.57 Agricultural productivity has been increasing at low rates in most of the ESCWA member countries. Growth in food production is lower than consumption, resulting in a widening food gap and an increasing dependence on external sources of supply that causes significant financial problems to the low-income countries of the region.

34.58 In the absence of an effective framework for regional cooperation, the countries of the region mostly act individually in areas essential for agricultural development, disregarding the region-wide opportunities that would come from utilizing complementarity and specialization in production based on comparative advantages region-wide.

34.59 Policy interventions constitute another important factor affecting agricultural production. Policies in the region have generally been characterized by a strong urban bias. The economic incentives provided to agricultural producers have generally been inadequate. Acreage and output-price controls and overvalued currencies were among the main policy instruments that have negatively affected the performance of the agricultural sector in the region.

34.60 Another major obstacle to increasing agricultural production in the region is the lack of trained manpower, particularly in the field of agricultural planning, policy analysis and project formulation. No less important are the shortcomings in the training of personnel entrusted with the execution of agricultural development projects. The capacity to absorb the flow of investment funds depends to a great extent on the above-mentioned types of training.

34.61 Given the resource constraints, a weak level of technology has been a significant hindrance to increased agricultural productivity. Although some ESCWA countries have made efforts to benefit from the transfer of emerging new technologies, there is an urgent need to fill the wide technology gap in agriculture.

34.62 The agricultural sector of several countries in the region has suffered severe damage to its infrastructure and production capabilities as a result of military conflicts and civil strife, which have also had a negative impact on intraregional trade in agricultural commodities and on the movement of labour.

34.63 Over the last two decades the region has witnessed marked expansion in industrial production capacity, especially in resource-based industries, such as petrochemicals, fertilizers and cement, and in traditional industries such as textiles and food. The industrial sector, however, is still characterized by a narrow range of manufactured products and low levels of specialization, productivity and capacity utilization. There is little complementarity in the production system and coordination among the countries of the region is almost non-existent. Industrial infrastructure and supporting services remain inadequate, particularly regarding entrepreneurship, skills transport facilities, financial services, research and development, engineering design, consultancy and information support.

34.64 There is a crucial need for endogenous science and technology activities in the region. The issues addressed by the Vienna Conference on Science and Technology for Development more than a decade ago remain valid for the region. In addition, the region now faces the challenges and opportunities created by global technological achievements. Therefore, building and strengthening endogenous science and technology capabilities and infrastructure, together with improving the region's advantages in the technology transfer process, remain a priority concern. There is still considerable ambiguity with regard to policy measures and mechanisms to support research and development to adapt new technologies to local conditions. The subprogramme will therefore address issues related to technology assessment, linkages between research and development and the production and service sectors, challenges and opportunities created by global technological achievements and their impact on technology transfer.

34.65 The lack of coordination mechanisms, inadequate planning and the complicated border-crossing formalities among the member States and between them and neighbouring countries obstruct the smooth flow of passengers and goods, negating the economic viability of trade. The region also faces the challenge of completing the missing links in the network of land transport infrastructure between the neighbouring Arab countries and in maintaining and improving existing links. As most of the trade in the region is seaborne, the cost of carriage of goods by sea is of vital importance. Increased attention should, therefore, be given to multimodal, maritime transport and to ports, shipping services and the development of national merchant fleets to increase the share of national carriers in external trade, particularly in solid and liquid bulk commodities. The sector is also suffering from a shortage of skilled manpower for activities ranging from planning to operations and management, particularly middle- and higher-level management. These issues call for special attention.

34.66 In view of the above, the objectives of subprogramme 3 are the following:

(a) To promote economic and technical cooperation and integration among ESCWA member countries at the subregional and regional levels;

(b) To promote activities aimed at strengthening the capabilities of member countries in the formulation and implementation of comprehensive plans, strategies and policies;

(c) To sustain momentum of economic reform and structural transformation without aggravating social conditions;

(d) To improve the mobilization and efficient use and management of domestic and external resources and to develop an enabling savings and investment environment;

(e) To provide technical assistance for the assessment and development of local capabilities and governmental and non-governmental institutions involved in various sectors;

(f) To promote private sector activities, particularly in small and medium-size enterprises, in various sectors and to support the development of human resources, entrepreneurship, management and technical skills;

(g) To enhance the capacity of ESCWA member States to cope with the challenges and opportunities created by technological achievements at the global level;

(h) To promote the expansion and diversification of trade in goods and services, particularly intraregional trade; enhance trade efficiency; and reduce transaction costs by introducing new technologies relating to customs data and clearance and transmission of trade-related information;

(i) To further understanding of the nature and the political, legal, economic and social effects of the activities of transnational corporations in host countries; enhance the contribution of transnational corporations to national development goals, while controlling and reducing their negative effects and strengthening the capacity of host developing countries in their dealings with transnational corporations.

(b) Course of action of the secretariat

34.67 The secretariat will pursue the above objectives mainly through studies (technical publications and reports), the organization of intergovernmental and expert group meetings and the provision of technical assistance and advisory services upon the request of member countries, as follows:

(a) Analysis of regional trends in development policies and plans; conceptualization of cooperation among ESCWA countries and identification of regional cooperation possibilities at the macro and micro levels and in various sectors and economic activities; economic and social implications of economic reform and transformation, including comparative experiences in privatization

and their impact on regional economic cooperation; the role of financial markets in the mobilization and management of financial resources and in the privatization process; financial resource availability and management; the status and requirements of cooperation in the monetary and financial field and the financing of public sector investment and budget deficits; environmentally sound technology policies and acquisitions; standard and quality control; and multimodal, land, maritime, urban and air transport and border-crossing facilitation;

(b) Training courses for officials and personnel in the public and private sectors to develop national capabilities, national and regional institutions, and technical managerial skills, in various sectors and areas;

(c) Annual review and analysis of performance, policies and strategies in the various sectors through the annual survey of economic and social developments in the ESCWA region and in the more specialized annual analytical reviews of developments and trends in external trade and payments and in the monetary and financial sectors, respectively, and improvement of the development debate through the publication for the first time in 1996 of a regional development journal.

SUBPROGRAMME 4. REGIONAL DEVELOPMENT AND GLOBAL CHANGES

(a) Objectives

34.68 The legislative authority for this subprogramme derives from General Assembly resolutions S-18/3; 41/165; 44/205; 45/199; 45/234; 46/144; 46/145; 47/152; 47/171; 47/178; and 47/183; and ESCWA resolutions 190 (XVI) and 191 (XVI).

34.69 The subprogramme will deal with the present and potential implications of globalization, with particular attention to the impact of its economic, technological, social and cultural elements. The emergence, consolidation and/or enlargement of regional and economic blocs, coupled with the further liberalization of international trade in goods and services will have direct impact on development prospects in all ESCWA member States, individually and collectively. Of significance to the region are the potential implications of the recent conclusion of the Uruguay Round of multilateral trade negotiations, the Maastricht Treaty and the economic transformation in Eastern and Central Europe. These exogenous factors will leave lasting effects on the socio-economic conditions of the region.

34.70 The subprogramme will therefore focus on the identification and assessment of the continuous process of globalization itself, its mechanisms, modalities and impact. In addition, this subprogramme will deal with the adjustment the ESCWA member States will have to undertake as a result of exogenous factors and their immediate and long-term structural implications. All ESCWA member States, individually and collectively, will have to undergo transformation, as appropriate and necessary, in their economic structure, value system and social institutions to meet the different challenges of globalization.

34.71 In the light of the above, the objectives of subprogramme 4 are:

(a) To assess the impact for ESCWA member States, of exogenous developments, in particular the Uruguay Round of multilateral trade negotiations, the establishment of the World Trade Organization (WTO) and the emerging economic blocs on the social and economic development of the region;

(b) To assist ESCWA members to adopt relevant policies and implement programmes that would allow the countries to make a smoother adjustment in their economic and social systems;

(c) To promote regional cooperation among ESCWA members so that they can coordinate policies and programmes that specifically address the effects of globalization.

(b) Course of action of the secretariat

34.72 The course of action of the secretariat will include:

(a) Undertaking studies on the impact of globalization, providing insights into potential areas that require immediate and long-term action;

(b) Compiling data and disseminating information on different aspects of the globalization process in order to enhance governmental and private sectors' capacities to deal with its immediate impacts;

(c) Undertaking studies on the impact of economic reform policies to be adopted by the different types of economy in the region.

SUBPROGRAMME 5. SPECIAL PROGRAMMES AND ISSUES

(a) Objectives

34.73 The legislative authority for this subprogramme derives from General Assembly resolutions 40/169, paragraph 5; 41/165, paragraph 3; 43/186, paragraph 1; 44/155; 44/179, paragraphs 5 and 6; 44/180, paragraph 4; 44/236, annex, paragraphs 5 and 8; 45/193; 45/222; 45/234; 46/145; 46/156, paragraphs 7 to 11 and 14; 46/173; 46/174; 47/179; 48/171; and 48/213; and ESCWA resolutions 100 (VIII); 118 (X); 172 (XV); 176 (XV); 182 (XVI); and 183 (XVI) to 185 (XVI).

34.74 Yemen belongs to the special group of countries classified as least developed countries by the United Nations. Economic reforms in that country have not gone far to accelerate growth and alleviate poverty. Action at the national level alone is not likely to achieve the development objectives of the country. Therefore, special consideration is to be given to development issues and problems confronting it.

34.75 A major development that could significantly influence the regional setting is the Middle East peace process, which was set in motion in the Madrid Conference in 1991 and enhanced by the agreement of 13 September 1993 between Israel and the PLO. There is a need to examine the possible impact of that

process on the social and economic conditions in the region and on regional cooperation.

34.76 In fulfilment of the relevant resolutions of the General Assembly and ESCWA on assistance to the Palestinian people in the occupied territories, the ESCWA secretariat has paid special attention to the different needs of the Palestinian people. As a result of the agreement between Israel and the PLO, the role of ESCWA in promoting and providing technical assistance and implementation of projects within the scope of Palestinian national development has been emphasized. Attention will also be focused on the Arab population in the occupied Golan Heights and in southern Lebanon.

34.77 The region has been suffering from the consequences of military conflicts for the last two decades, which have brought about huge destruction and drastic deterioration in the physical and institutional infrastructure of some ESCWA countries. To be effective, social and economic reconstruction and rehabilitation need to be addressed within a regional context and perspective.

34.78 Subprogramme 5 aims at:

(a) Strengthening the capacities of Yemen and of the Palestinian people to build their national economy and institutions;

(b) Supporting national and regional efforts for the social and economic rehabilitation and reconstruction of countries affected by wars and conflicts;

(c) Assessing the implications of the Middle East peace process for regional development and cooperation.

(b) Course of action of the secretariat

34.79 The course of action will include:

(a) Monitoring the implementation in Yemen of the Programme of Action for the Least Developed Countries for the 1990s;

(b) Undertaking studies on issues related to the development of Palestinian national capabilities in selected sectors, and assisting in, and implementing, different rehabilitation schemes;

(c) Organizing expert group meetings and training workshops in selected sectors for developing human resources, in Yemen and in the territories under PLO administration;

(d) Formulating, promoting and participating in the implementation of technical assistance projects, and providing advisory services;

(e) Assessing the social and economic conditions of the Arab population in the occupied Golan Heights and in southern Lebanon.